

Timeshare memberships

Purchasing a campground or vacation resort membership that offers the use of swimming pools, tennis courts, a golf course, and many other amenities may be the right decision for you and your family. However, a timeshare membership is a long-term, expensive investment. Take the time to check all the details.

What is a Timeshare?

Timesharing is a form of property ownership which allows you to buy a specific week or more of vacation time in a condo, resort, or camp-ground for a set number of years. This is very different from the outright purchase of land or the payment of daily or weekly rates for facility privileges.

The cost of a timeshare is usually based on location and amenities, season, and length and type of ownership. Annual maintenance fees may also apply. In addition, buyers may be responsible for major repairs or other costs associated with normal wear and tear.

Sometimes timeshare plans include exchange programs which offer an opportunity to arrange swaps with other resorts in different locations. In some cases, you may be restricted to the same time period in which your time-share is available. There are usually other restrictions which limit access to popular destinations as well as additional costs.

Timeshare Promotions

Many promotions for timeshare memberships are conducted through mass mail solicitations that offer “free” incentives to consumers who visit the site and listen to the sales presentation. Some consumers who have visited a site complain that the “free” merchandise costs money in redemption fees or report that the gifts are of poor quality and little value. Others complain that the sales pitch is lengthy and high-pressured. In some cases, those who have signed contracts later found the terms to be much different from those the sales representative spoke of.

Some consumers have lost substantial investments because their timeshares went out of business or filed for bankruptcy. In other situations, consumers paid money toward timeshares being offered before construction had begun or adequate financing had been obtained.

State Law Protects Consumers

In Wisconsin, a state law defines and regulates virtually all aspects of timeshare and campground memberships in the state. The law prohibits deceptive advertising and sales practices in the promotion and sale of timeshares, including:

- Misrepresenting the investment or resale value of timeshares.
- Using phony or misleading discounts to induce customers to sign contracts on their first visit.
- Failing to clearly disclose in printed advertising and mail solicitations the identity of the seller and that the purpose is to sell timeshares.

There are some additional protections related to timeshare memberships in Wisconsin. These include:

- Solicitations which offer free gifts must disclose all conditions associated with the gifts or services constituting the prize or award.
- Sellers must provide buyers with a disclosure statement, purchase contracts, and a right-to-cancel within five business days.
- Fifty percent of a consumer's payments toward an incomplete project must be escrowed or otherwise protected until the project is completed.

Timeshare and campground membership salespersons must be licensed by the state Department of Regulation and Licensing.

Please note—these protections apply to timeshares located in Wisconsin. If you're interested in a timeshare located in another part of the country, find out what laws apply in that particular state.

Purchasing Tips

If you're interested in purchasing a timeshare, consider the following:

- Before you respond to a promotion, read the fine print. Understand what conditions apply in order to

receive the "free" gift or prize. Consider the quality and value of the prize.

- Take the time to figure out what you're getting for your investment. Don't be fooled by first-day sales incentives. More than likely, the deal will be there when you're ready to sign.
- Think about whether you'll be able to use the facility often enough to justify the expense. How far must you travel to take advantage of the membership? Will you be able to afford to use the facility each year?
- Calculate the total cost of the timeshare, including finance charges, travel costs, annual fees, and maintenance.

Compare estimates with rates of similar accommodations you could rent in the same location. Carefully evaluate any investment claims made by the seller.

- What are the time limits on use of the facility? What are the limitations if you want to use affiliated facilities?
- How long has the company been in business? Do the owners have proof they own or have a full right to the area for the full time of your contract? How sound is the company financially?
- What happens to your lifetime contract if the land is sold or the campground owner becomes insolvent?
- If the resort isn't completed, get a written commitment from the seller stating the completion date. Check the

reputation of the builder and run credit checks on the developer.

- Before you sign, take the contract home and read it carefully. Make sure all verbal promises made in the sales pitch are written into the contract. You might want an attorney to go over the fine print with you. If you are not allowed to take an unsigned contract home, remember, you have five business days to cancel a signed contract.
- What conditions apply to resale of the property? Are you allowed to sell the property yourself? Will penalty fees apply?

If you can't get satisfactory answers to these questions when you visit a facility, think twice about making a long-term commitment that costs thousands of dollars.

For more information or to file a complaint, contact the Bureau of Consumer Protection:

(800)422-7128.

FAX: (608) 224-4939

TTY: (608) 224-5058

E-MAIL:

datcpHotline@datcp.state.wi.us

WEBSITE:

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